

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Isaac

H.B. No. 1512

A BILL TO BE ENTITLED

AN ACT

relating to the maximum loan amount made to persons under the owner-builder loan program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 2306.754(b), Government Code, is amended to read as follows:

(b) If it is not possible for an owner-builder to purchase necessary real property and build or rehabilitate adequate housing for \$45,000, the owner-builder must obtain the amount necessary that exceeds \$45,000 from other sources of funds. The total amount of amortized, repayable loans made by the department and other entities to an owner-builder under this subchapter may not exceed \$150,000 [~~\$90,000~~].

SECTION 2. As soon as practicable after the effective date of this Act, the Texas Department of Housing and Community Affairs shall adopt rules necessary to implement Section 2306.754(b), Government Code, as amended by this Act.

SECTION 3. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2017.

ADOPTED

MAY 18 2017

*Letay Spaw*  
Secretary of the Senate

By: *Thurston*

H.B. No. 1512

Substitute the following for H.B. No. 1512 :

By: *Stephen R. Gulcer*

C.S.H.B. No. 1512

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the administration of the owner-builder loan program.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Section 2306.754(b), Government Code, is amended  
5 to read as follows:

6 (b) If it is not possible for an owner-builder to purchase  
7 necessary real property and build or rehabilitate adequate housing  
8 for \$45,000, the owner-builder must obtain the amount necessary  
9 that exceeds \$45,000 from other sources of funds. [~~The total amount~~  
10 ~~of amortized, repayable loans made by the department and other~~  
11 ~~entities to an owner-builder under this subchapter may not exceed~~  
12 ~~\$90,000.~~]

13 SECTION 2. Section 2306.7581(b), Government Code, is  
14 amended to read as follows:

15 (b) Notwithstanding any other law, all money received by the  
16 department in accordance with this subchapter, including any amount  
17 received by the department for payment of the principal of or  
18 interest on a loan made under this subchapter, is part of the  
19 owner-builder revolving loan fund. All money constituting part of  
20 the owner-builder revolving loan fund shall be deposited in the  
21 housing trust fund established under Section 2306.201 [~~The~~  
22 ~~department shall deposit money received in repayment of a loan~~  
23 ~~under this subchapter to the owner-builder revolving loan fund].~~

24 SECTION 3. As soon as practicable after the effective date

1 of this Act, the Texas Department of Housing and Community Affairs  
2 shall adopt rules necessary to implement Section 2306.754(b),  
3 Government Code, as amended by this Act.

4       SECTION 4. This Act takes effect immediately if it receives  
5 a vote of two-thirds of all the members elected to each house, as  
6 provided by Section 39, Article III, Texas Constitution. If this  
7 Act does not receive the vote necessary for immediate effect, this  
8 Act takes effect September 1, 2017.

ADOPTED

MAY 18 2017

*Lately Spaul*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY: WATSON

Amend C.S.H.B. No. 1512 (senate committee printing) as follows:

(1) Strike SECTION 2 of the bill, amending Section 2306.7581(b), Government Code (page 1, lines 30-40).

(2) Add the following appropriately numbered SECTIONS to the bill and renumber the SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Section 2306.758, Government Code, is amended by amending Subsection (b) and adding Subsection (d) to read as follows:

(b) The department may also make loans under this subchapter from:

(1) available funds in the housing trust fund established under Section 2306.201; and

(2) federal block grants that may be used for the purposes of this subchapter[~~;~~ and

~~[(3) the owner-builder revolving loan fund established under Section 2306.7581].~~

(d) All money received by the department as part of the owner-builder loan program under this subchapter, including any amount received by the department for payment of the principal of or interest on a loan made under this subchapter, shall be deposited in the housing trust fund established under Section 2306.201 to be used to carry out the purposes of this subchapter. If the money to be received by the department for a state fiscal year for payment of the principal of or interest on a loan made under this subchapter is less than \$3 million for a state fiscal year, the department shall use any available source of money in the

housing trust fund to ensure that not less than \$3 million is used  
for the owner-builder loan program each state fiscal year.

SECTION \_\_\_\_ . Section 2306.7581, Government Code, is  
repealed.

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 20, 2017**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1512** by Isaac (Relating to the administration of the owner-builder loan program.), As  
**Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Government Code relating to the administration of the owner-builder loan program. The bill would specify that all money received by the Texas Department of Housing and Community Affairs (TDHCA) for Subchapter FF would be deposited in the housing trust fund established under Section 2306.201, Government Code and would be used to carry out the purposes of the subchapter. Under the provisions of the bill, if the money received by TDHCA for a fiscal year for payment of the principal of or interest on a loan made under the subchapter is less than \$3.0 million per fiscal year, TDHCA would be required to use any other available source of money in the housing trust fund to ensure that at least \$3.0 million is used for the owner-builder loan program each fiscal year.

The bill would repeal Section 2306.7581, Government Code, which establishes the owner-builder revolving loan fund.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the bill does not receive the vote necessary for immediate effect; it would take effect September 1, 2017.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature

The Texas Department of Housing and Community Affairs indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

Currently, the agency is appropriated \$3.3 million per fiscal year in General Revenue in Strategy A.1.3, Housing Trust Fund, for the owner-builder loan program, a program that provides funding for grants to assist in housing construction. Under current practice, TDHCA is required by Rider 9, Housing Trust Fund Deposits to the Texas Treasury Safekeeping Trust Company, of the agency's bill pattern in the 2016-17 General Appropriations Act to deposit all Housing Trust Fund funds in the Texas Treasury Safekeeping Trust Company where the program is currently operated. Under current practice, the agency does not currently use the General Revenue Dedicated Account

#5077 Owner Builder Revolving Loan fund to operate the program as required by statute and as such, it is not assumed the provisions of the bill would have a significant impact.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs

**LBB Staff:** UP, JGA, EH, EK

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 15, 2017**

**TO:** Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1512** by Isaac ( Relating to the administration of the owner-builder loan program.),  
**Committee Report 2nd House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Government Code relating to the administration of the owner-builder loan program. Under the provisions of the bill, the total amount of amortized, repayable loans made by the Texas Department of Housing and Community Affairs (TDHCA) and other entities would be eliminated. The bill would specify that certain money received by TDHCA is part of the owner-builder revolving loan fund and the bill would require all money constituting the owner-builder revolving loan fund to be deposited in the housing trust fund, as established under Section 2306.201, Government Code.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the bill does not receive the vote necessary for immediate effect; it would take effect September 1, 2017.

This legislation would do one or more of the following: create or recreate a dedicated account in the General Revenue Fund, create or recreate a special or trust fund either with or outside of the Treasury, or create a dedicated revenue source. The fund, account, or revenue dedication included in this bill would be subject to funds consolidation review by the current Legislature

The Texas Department of Housing and Community Affairs indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

Currently, the agency is appropriated \$3.3 million per fiscal year in General Revenue in Strategy A.1.3, Housing Trust Fund, for the owner-builder loan program, a program that provides funding for grants to assist in housing construction. Under current practice, TDHCA is required by Rider 9, Housing Trust Fund Deposits to the Texas Treasury Safekeeping Trust Company, of the agency's bill pattern in the 2016-17 General Appropriations Act to deposit all Housing Trust Fund funds in the Texas Treasury Safekeeping Trust Company where the program is currently operated. Under current practice, the agency does not currently use the General Revenue Dedicated Account #5077 Owner Builder Revolving Loan fund to operate the program as required by statute and as such, it is not assumed the provisions of the bill would have a significant impact.

**Local Government Impact**



No fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 332 Department of Housing and  
Community Affairs

**LBB Staff:** UP, JGA, EH, EK

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**May 3, 2017**

**TO:** Honorable Eddie Lucio, Jr., Chair, Senate Committee on Intergovernmental Relations

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1512** by Isaac (Relating to the maximum loan amount made to persons under the owner-builder loan program.), **As Engrossed**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Government Code relating to the maximum loan amount made to persons under the owner-builder loan program. Under the provisions of the bill, the total amount of amortized, repayable loans made by the Texas Department of Housing and Community Affairs and other entities to certain owner-builders could not exceed \$150,000.

The Texas Department of Housing and Community Affairs indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the bill does not receive the vote necessary for immediate effect; it would take effect September 1, 2017.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 332 Department of Housing and Community Affairs

**LBB Staff:** UP, JGA, EH, EK

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION**

**March 27, 2017**

**TO:** Honorable Carol Alvarado, Chair, House Committee on Urban Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB1512** by Isaac (Relating to the maximum loan amount made to persons under the owner-builder loan program.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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The bill would amend the Government Code relating to the maximum loan amount made to persons under the owner-builder loan program. Under the provisions of the bill, the total amount of amortized, repayable loans made by the Texas Department of Housing and Community Affairs and other entities to certain owner-builders could not exceed \$150,000.

The Texas Department of Housing and Community Affairs indicates that any costs associated with the bill could be absorbed within the agency's existing resources.

The bill would take effect immediately if it receives a vote of two-thirds of all the members elected to each house. If the bill does not receive the vote necessary for immediate effect; it would take effect September 1, 2017.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 332 Department of Housing and Community Affairs

**LBB Staff:** UP, JGA, EH, EK